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With many Labour Force series returning to their pre-COVID levels, the ABS is not expecting to publish this article on a monthly basis beyond this release. The ABS will continue to monitor changes in the labour market and provide additional analysis when relevant.

What is 'Job attachment'?

'Job attachment' refers to whether someone has a job that they are connected to.

Are all people with job attachment employed?

Whether someone has a job is one of a number of elements used by the ABS to determine whether someone is employed or not, together with whether they have worked an hour or more (or whether they were temporarily absent from work) and whether they have been paid. For more on how the ABS defines someone as employed, refer to the <u>Glossary (/ methodologies/labour-force-australia-methodology/nov-2021#glossary)</u>.

Given employment is determined using multiple criteria, it is possible for someone to have attachment to a job without necessarily being employed. Prior to the pandemic, there was a relatively small number of people each month who had attachment to a job but were not considered to be employed. These people are comprised of two groups:

- 1. People who have a job that they are away from without pay for more than a month (e.g. people on unpaid parental leave).
- 2. People who have a job but haven't started (or restarted) in it yet (who are categorised as either unemployed or not in the labour force according to their current availability to work and when the job could begin).

For more on how the ABS categorises people outside of employment, see the ABS release on 'Potential workers (/statistics/labour/employment-and-unemployment/potential-workers/latest-release)'.

Why is it useful to consider job attachment during the pandemic?

Unlike major economic shocks in the past, the current pandemic period has been characterised by a much greater number of people losing hours than people losing jobs. 'Insights into hours worked (/articles/insights-hours-worked-november-2021)', which the ABS has published since March 2020, has highlighted the extent to which people have remained attached to a job but worked reduced or no hours around lockdowns and other restrictions.

Beyond more employed people working reduced hours, there have also been high numbers of recently employed people who have been without work and pay for extended periods of time. These people have dropped out of the employed population, but some have remained attached to a job.

Looking at people outside of employment who have job attachment is useful for a number of reasons, including:

1. To understand some of the changes in labour force participation around lockdowns and

- other restrictions, given some people with an existing job may not actively look for another job, unless required to (in addition to the limited ability for people to work or actively look for work).
- 2. To gauge the extent to which people who are not employed have a job and may be able to return to employment as restrictions ease and more usual economic activity resumes.
- 3. To understand the nature of impacts on people, according to whether they have lost their connection to their employer or business.

People who were not employed and had job attachment

Chart 1 shows that, in March 2020, there were 189,000 people who considered that they had a job that they were attached to but who weren't employed (i.e. they were either categorised as unemployed or not in the labour force).

This rose to 314,000 people in April 2020 and 592,000 people in May 2020. It subsequently fell from May 2020, as some people with job attachment lost their job and others returned to work. During the first half of 2021 this had fallen back to pre-pandemic levels. The number again rose sharply during the Delta lockdowns, peaking at 531,000 in October 2021.

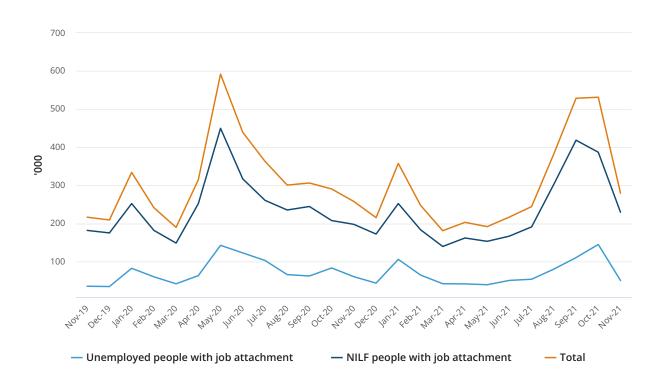
Of the extra 402,000 people outside of employment who had an attachment to a job between March and May 2020, around three-quarters (74.9%) were not in the labour force and around a quarter (25.1%) were unemployed. This partly reflects that lockdowns and other restrictions impact on people's ability to look for work and be available for work, but also that some people may be less likely to look for another job if they still have one (or perceive that they still have one).

This helps to explain why the participation rate changed rapidly early in the pandemic, with the extra 402,000 people (three-quarters of whom were not in the labour force) accounting for around 49.5% of the net fall in employment between March and May 2020.

A similar effect was evident during the recent Delta variant lockdowns. Between May and October 2021, there were an additional 340,000 people outside of employment who had an attachment to a job, the majority (68.8%) of whom were not in the labour force.

In November 2021, the number of people not employed with job attachment fell to 279,000 following the end of lockdowns and the re-opening of borders in New South Wales, Victoria and the Australian Capital Territory, of which 82.1% were not in the labour force.

Chart 1: Not employed people with job attachment, Original



Share of the working age population

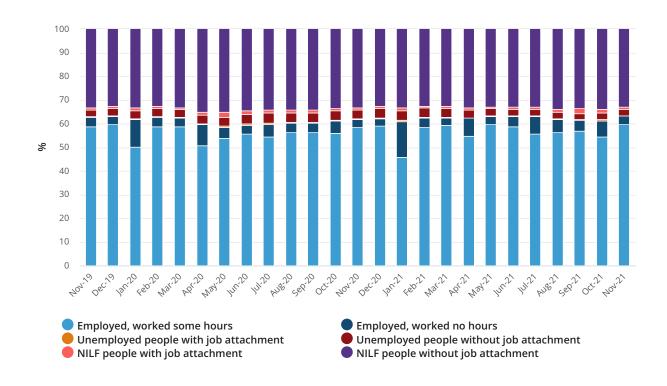
Chart 2 shows the relative size of these groups as a share of the usually resident civilian population aged 15 years and over. Prior to the pandemic, unemployed people with job attachment usually accounted for around 0.2% of the population, and this rose to a peak of around 0.7% in May 2020. People not in the labour force with job attachment was around 0.8% of the population before the pandemic and rose to a peak of 2.2% in May 2020.

Similar increases were seen during the Delta period, when unemployed people with job attachment rose from 0.2% in May 2021 to 0.7% in October 2021. People not in the labour force with job attachment rose from 0.7% in May 2021 to 2.0% in September 2021. Both measures fell to 0.2% and 1.1% in November 2021.

Chart 2, like all graphs in this release, is an interactive graph. To focus on particular series,

simply select or deselect the series of interest.

Chart 2: Population by Labour force status, Original



Source: Labour Force, Australia Data Cube EM2a and Longitudinal Labour Force, Australia

Comparing changes in job attachment with employment and participation

Chart 3 shows the proportion of the population with job attachment through the pandemic and compares it with the employment-to-population ratio and the participation rate. It shows that during periods of major lockdowns and other restrictions there is a larger aggregate impact on employment than on the number of people who have jobs.

Chart 3: Employment, job attachment and participation through the pandemic, Original

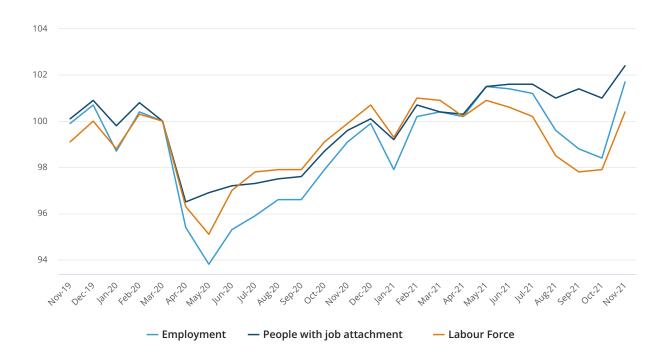


Source: Labour Force, Australia Table 1 and Longitudinal Labour Force, Australia

This is further highlighted in Chart 4, which shows indexed changes in these three population groups, rather than the rates. The number of employed people fell by 6.2% between March and May 2020 and the labour force (which includes all employed and unemployed people) fell by 4.9%. In comparison, the number of people in the population who considered they were attached to a job fell to a smaller extent, down by 3.1%.

The falls in employment and participation was even more pronounced than the fall in job attachment during the Delta period, between May 2021 and October 2021(3.1% and 3.0%, compared with 0.5%). The high level of job attachment during the Delta period was a key factor in the rapid recovery in employment and participation in November, as people with jobs quickly returned to work.

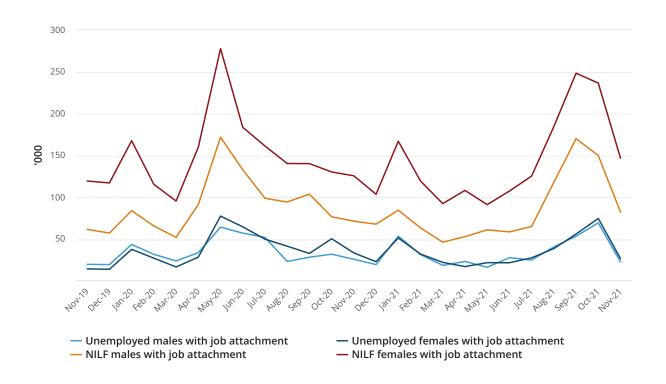
Chart 4: Change in employment, people with job attachment and labour force Index, Original (March 2020 = 100.0)



Sex

Chart 5 shows similar patterns for men and women during the pandemic. There are always more women who are not in the labour force with job attachment than men, which partly reflects women being more likely to be on (or returning from) periods of extended unpaid leave (particularly parental leave). The number of unemployed people with job attachment was similar over the pandemic for men and women.

Chart 5: Not employed people with job attachment, Original



Age

Younger workers have generally been more impacted by changes in employment and hours during the pandemic. Chart 6a and 6b show that the impact for young people with job attachment, who were not employed, were more pronounced than for people in the older age groups during the pandemic.

Chart 6a: Unemployed people with job attachment by Age, Original

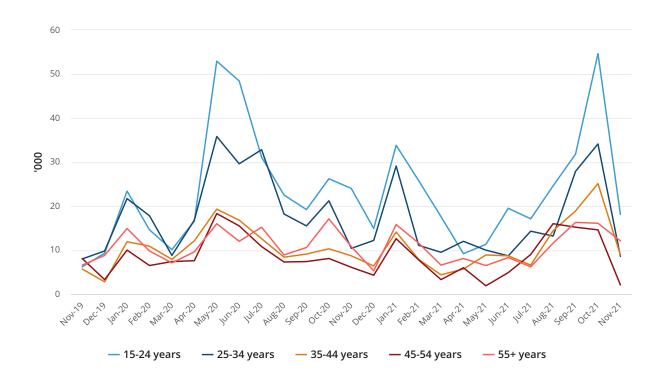
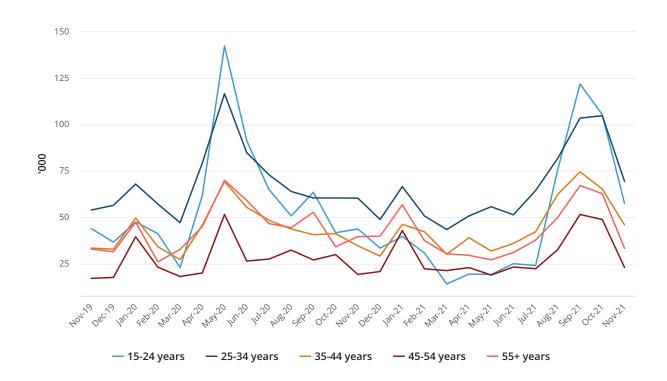


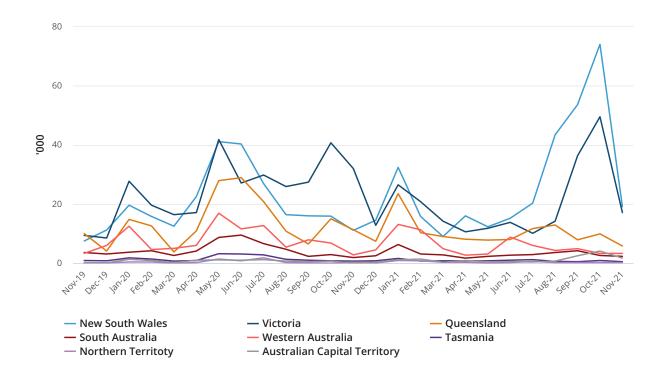
Chart 6b: People not in the labour force with job attachment by Age, Original



States and territories

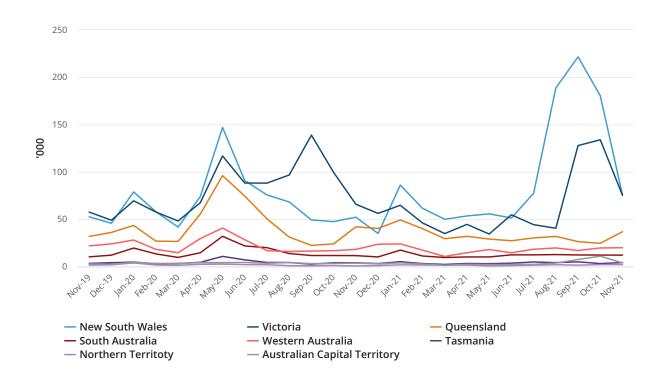
Observable increases of people with job attachment occur for each wave of COVID-19 lockdown in affected States and Territories. Charts 7a and 7b show increases nationally early in the pandemic, a second peak in Victoria in September 2020, and a further peak associated with the Delta variant. In NSW, people with job attachment and not in the labour force peaked in September and for unemployed in October 2021. In Victoria and the ACT, the peak occurred in October 2021 for both those not in the labour force and unemployed.

7a: Unemployed people with job attachment by State, Original



Source: Longitudinal Labour Force, Australia

7b: People not in the labour force with job attachment by State, Original



Source: Longitudinal Labour Force, Australia

For further information, email labour.statistics@abs.gov.au (mailto:labour.statistics@abs.gov.au).